



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 21, 1999

H.R. 2669 **Coastal Community Conservation Act of 1999**

As ordered reported by the House Committee on Resources on October 6, 1999

SUMMARY

H.R. 2669 would amend the Coastal Zone Management Act of 1972, which governs federal and state environmental management of coastal areas. The bill would extend the authorization of appropriations for state grants and other coastal zone management (CZM) programs administered by the National Oceanic and Atmospheric Administration (NOAA). H.R. 2669 would authorize appropriations totaling about \$115 million for fiscal year 2000 and \$620 million over the 2000-2004 period. Roughly half of each year's authorization would be for funding of existing programs that received appropriations of about \$58 million in 1999.

Assuming appropriation of the authorized amounts, CBO estimates that the federal government would spend about \$20 million in fiscal year 2000 and a total of \$450 million over the 2000-2004 period on programs authorized by H.R. 2669. (About \$170 million would be spent after fiscal year 2004.) Enacting the bill could increase governmental receipts and direct spending; therefore, pay-as-you-go procedures would apply. CBO estimates, however, that any additional receipts and resulting direct spending would be minimal and largely offsetting.

H.R. 2669 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state governments would be the result of complying with grant conditions.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2669 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION					
Authorization Level ^a	115	120	123	128	134
Estimated Outlays	20	75	109	120	126

a. NOAA has not yet received a full-year appropriation for 2000.

BASIS OF ESTIMATE

Spending Subject to Appropriation

For purposes of this estimate, CBO assumes that H.R. 2669 will be enacted early in fiscal year 2000 and that the entire amounts authorized will be appropriated for each fiscal year. Outlays are based on historical spending patterns of CZM programs.

Title I would authorize appropriations for CZM programs. The legislation would authorize the appropriation of \$6.5 million annually over the 2000-2004 period to NOAA for the costs of administering CZM grant programs. Annual amounts between \$87 million and \$105 million would be authorized for CZM grants over this period. This title also would authorize appropriations totaling \$8 million through fiscal year 2002 for new studies to be conducted by NOAA or its grantees.

Title II would authorize annual funding for the National Estuarine Research Reserve System, which is also administered by NOAA. Specifically, the bill would authorize the appropriation of between \$7 million and \$11 million for each of fiscal years 2000 through 2004 for state grants for acquisition and management of estuarine reserves. For this same period, the bill would authorize \$12 million a year for new state grants for construction projects at these reserves.

Property Rights

Section 110 would prohibit NOAA from requiring any state, as a condition of a grant, to take any action that would constitute a use of nonfederal property for public use without payment of just compensation. CBO estimates that this provision would have no significant budgetary impact. We expect that NOAA would likely refrain from knowingly making conditions for grants that would violate the prohibition. If, however, NOAA did make grant conditions that

are deemed by a court to cause a state to take property, either the condition would be altered or eliminated or the federal government would compensate the owner—all of which could happen under existing law as well.

This section also would prohibit NOAA from taking private property for public use without payment of just compensation. This provision restates current law and would therefore have no impact on the federal budget.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Title II would authorize NOAA to accept and spend donations of funds from the public for estuarine reserve projects. Such donations are recorded in the budget as governmental receipts, and spending of the gifts would be considered new direct spending. Based on information provided by the agency, CBO estimates that this provision would have a budgetary impact of less than \$500,000 annually.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2669 contains no intergovernmental or private-sector mandates as defined in UMRA. Much of the funding authorized by the bill would fund grant programs that require matching funds from participating state governments. States would be able to allocate a portion of the grant funds received under the program to qualified local entities to further their coastal management programs. Any costs to state governments from the requirements of this program would be incurred voluntarily.

PREVIOUS CBO ESTIMATE

On July 1, 1999, CBO transmitted a cost estimate for H.R. 1243, the National Marine Sanctuaries Enhancement Act of 1999, as ordered reported by the House Committee on Resources on June 9, 1999. These bills would authorize the appropriation of different amounts of money and the cost estimates reflect those differences.

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